

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
(EASTERN DIVISION)

In re:)
QUINCY MEDICAL CENTER, INC.,) Chapter 11
QMC ED PHYSICIANS, INC. and) Case No. 11-16394
QUINCY PHYSICIANS CORPORATION,) (Jointly Administered)
Debtors.)
)

**LIMITED OBJECTION OF BMC NAB BUSINESS TRUST TO
DEBTORS' MOTION FOR SUPPLEMENTAL AUTHORITY
REGARDING SALE OF SUBSTANTIALLY ALL ASSETS**

BMC NAB Business Trust, a Massachusetts business trust (the “Trust”) submits this objection to the Debtors’ Motion for Supplemental Authority Regarding Sale of Substantially All Assets [Docket No. 280] (the “Motion for Supplemental Authority”).

1. The Trust owns the Shapiro Ambulatory Care Center (the “Center”) located on the Boston Medical Center campus. For reasons related to the new markets tax credits rules, the Trust needed to have 2 non-profit shareholders, one of which had to be unrelated to Boston Medical Center Corporation (“BMC”). Debtor QMC ED Physicians, Inc. (“QMC-ED”), owns 10 shares. BMC owns the remaining 90 shares.¹

2. The Amended and Restated Declaration of Trust Establishing the Trust under the provisions of Chapter 182 of the General Laws of the Commonwealth of Massachusetts (the “Declaration of Trust”), dated as of May 14, 2008, provides in Section 4.4:

¹ QMC-ED receives no dividends or other benefits from ownership of the Shares. The relevant shareholders agreement provides for (i) QMC-ED's right to “put the shares” to BMC for a payment of \$100,000 beginning in May, 2015 and (ii) BMC's option to call the shares at fair market value, also beginning in May, 2015. The fair market value of the Trust's property is substantially reduced by the secured debt structure of the applicable new markets tax credit transaction.

Ownership of Shares: The ownership of Shares shall be evidenced by Share certificates in such form as the Trustees may from time to time determine. Shares may be owned by entities which are described in Code Section 501(c)(3) and Code Section 509(a)(1) or (2). (emphasis added)

3. In view of the foregoing tax and trust instrument requirements, the Trust filed a Limited Objection to the Debtor's Motion for an Order: (A) Approving Procedures Governing Proposed Sale of Substantially All Assets Free and Clear of Liens, Claims, and Encumbrances (Including Related Assumption and Assignment of Executory Contracts and Unexpired Leases); (B) Approving Form and Manner of Notice of Sale; and (C) Granting Related Relief (the “Limited Objection”).

4. In response to the Limited Objection, this Court required that the Debtors and Steward modify auction procedures to require that any purchaser of the QED Shares be a qualified tax-exempt entity under Section 501(c)(3) or Section 509(a)(1) or (2) as required by the Declaration of Trust.

5. On August 16, 2011, the Company filed its Certification and Request for Approval of Winning Bidder as to QED Shares (the “Debtor's Request”). The Trust objected to the Debtor's Request. On August 17, 2011, this Court conducted a hearing on, *inter alia*, the Debtor's Request and held that Steward was the Winning Bidder of the QED Shares.

6. The Court made clear at the August 17th hearing however, that the sale of the QED Shares to Steward or a Steward designee was conditioned upon such designee receiving the requisite tax-exempt determination letter for the Internal Revenue Service *prior to closing*. To the extent that the Revised Proposed Sale Order and the First Amendment to the APA do not include the foregoing as a condition of closing (in connection with the QED Shares), the Trust

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objects to the entry of the Revised Proposed Sale Order, as well as to the Court's approval of the First Amendment to the APA. The Trust further reserves all rights in connection therewith.

WHEREFORE, BMC NAB Business Trust respectfully requests that:

1. The Debtors' Motion for Supplemental Authority Regarding Sale of Substantially All Assets be denied;
2. Such other and further relief as shall be just.

Respectfully submitted,

BM**C** NAB BUSINESS TRUST

Dated: September 16, 2011

By its attorneys,

/s/ Lesley M. Varghese
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CERTIFICATE OF SERVICE

I hereby certify that the forgoing has been duly served as of the date hereof, upon the following persons or entities by causing a true copy thereof to be placed in the US Mail, first class mail, postage prepaid, to:

Healthplans, Inc.
1500 West Park Drive
Suite 330
Westborough, MA 01581

Boston University

Promutual
101 Arch Street
4th Floor
Boston, MA 02110

City of Quincy

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Psychiatric Associate, Inc.
715 Albany Street
M-8th Floor
Boston, MA 02118

Claflin
455 Warwick Industrial Drive
Warwick, RI 02886

Sodexho Inc. & Affiliates
9801 Washingtonian Blvd.
Gaithersburg, MD 20878

Commonwealth of Massachusetts
Division of Unemployment Assistance
Bankruptcy Unit, 5th Floor
19 Staniford Street
Boston, MA 02114-2502

Direct Energy Service, LLC
1001 Liberty Avenue
Pittsburgh, PA 15222

National Grid
40 Sylvan Road
Waltham, MA 02451

U.S. FoodService, Inc.
9399 W. Higgins Road
Rosemont, IL 60018

Delta Dental of MA
465 Medford Street
Boston, MA 02129-1454

American Red Cross Blood Services
2025 E. Street, N.W.
Washington, DC 20006

Quincy City Hall
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Cardinal Health Boston Division
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Biomet Inc.
55 East Bell Drive
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/s/ Lesley M. Varghese